

Congressman Scott Garrett (R-NJ), Chairman

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The Budget Picture Inherited by the New GOP Majority

As a new Republican Majority takes control of the House it inherits a budget situation vastly worse than that which it left the incoming Democrat Majority in January 2007. The following are highlights of our country's fiscal deterioration in the previous four years:

The National Debt: increased from \$8.67 trillion to \$14.0 trillion—an increase of \$5.3 trillion or 61.5%

The Debt Limit: increased six times, and even before the new Congress began, the Administration was speaking of the need for another one. During this time, the debt limit increased from \$8.965 trillion to \$14.3 trillion—an increase of \$5.3 trillion or 59.5%.

The Deficit: increased from \$161 billion to \$1.3 trillion in the most recent fiscal year (FY 2010)—an increase of \$1.14 trillion or 708.7%.

\$8.2 Trillion Deterioration to Nation's Budget Outlook: In January 2007, the month Democrats took control of Congress, CBO projected the federal government would run a budget surplus of \$800 billion over ten years (covering the period from 2008-2017). From the most recent CBO projections available, the federal government is projected to run a deficit of \$7.4 trillion over the same period. **This is an \$8.2 trillion deterioration of the budget outlook during Democrat control of the Congress.**

\$112 Trillion in Unfunded Federal Liabilities: The federal government's total unfunded liabilities amount to more than \$112 trillion. By comparison, our total public and private national assets come to only \$72.3 trillion.

Quote of the Week:

"Increasing America's debt weakens us domestically and internationally. Leadership means that 'the buck stops here.' Instead, Washington is shifting the burden of bad choices today onto the backs of our children and grandchildren. America has a debt problem and a failure of leadership. Americans deserve better."

-Then-Senator Obama, on explaining his vote against a debt limit increase in 2006.

Fiscal Reforms in House Rules Package

Yesterday, the House approved a House rules package that contains many victories for House conservatives, including:

Elimination of Gephardt Rule: Strikes the Gephardt rule which leads to House engrossment of a debt limit increase after the budget resolution is passed without the House even voting on the measure.

Reconciliation Restriction: Prohibits reconciliation in the case of legislation that increases net direct spending.

Transportation Spending Control: Under the rules in effect in the previous Congress, it was out of order to lower spending compared to the most recent highway bill—even though the deficit has increased by a factor of five since that bill was passed, and even though that bill was passed with spending that is higher than the trust fund can support. The rules package approved yesterday would subject transportation to the same budget controls as other discretionary spending.

CUTGO: Replaces PAYGO with CUTGO, which makes it out of order to consider legislation that increases net mandatory spending.

House to Consider 5% Cut to House Budget

Today, the House will consider a measure reducing House expenses generally by 5%. The bill specifically cuts the Member Representational Allowances (MRA)—the budget for each Member office—by 5%, cuts salaries and expenses of leadership offices in 2011 and 2012 by 5%, and cuts the salaries and expenses for the House Appropriations Committee by 9%.

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